



Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	16-18
Price	8.41	8.80	9.88	10.47	10.83	12.23	14.10	15.94	16.98	18.43	21.51	23.02	22.47	22.49	23.87	24.20	26.15	27.40	32.60
Gain	1.62	1.83	2.03	2.27	2.46	2.85	3.36	3.84	4.25	4.60	5.23	5.70	5.69	5.92	6.25	6.45	6.90	7.35	8.75
Return	1.21	1.34	1.49	1.70	1.91	2.23	2.70	3.10	3.50	3.76	4.15	4.57	4.63	4.76	5.00	5.10	5.43	5.80	7.25
Div	.43	.49	.55	.62	.70	.80	.92	1.10	1.28	1.46	1.62	1.80	1.93	2.11	2.25	2.40	2.56	2.74	3.30
Spending	.52	.54	.62	.59	.57	.71	.76	.73	.88	.92	1.04	1.11	.86	.87	1.06	1.00	1.05	1.05	1.15
Book Value	4.59	5.06	5.83	6.76	7.95	7.65	9.05	10.71	12.73	13.59	15.25	15.35	18.37	20.66	20.95	23.25	25.70	28.50	38.30
Common Shs	2690.3	2688.1	2779.4	2781.9	3047.2	2968.3	2968.0	2971.0	2974.5	2893.2	2840.2	2769.2	2754.3	2738.1	2724.4	2780.0	2750.0	2730.0	2680.0
P/E Ratio	24.9	28.1	31.6	26.4	27.2	25.9	19.4	18.1	18.5	16.6	15.4	14.3	12.5	13.1	12.7	13.1	13.1	13.5	13.5
Relative P/E	1.44	1.46	1.80	1.72	1.39	1.41	1.11	.96	.99	.90	.82	.86	.83	.83	.80	.82	.80	.82	.90
Div Yield	1.4%	1.3%	1.2%	1.4%	1.3%	1.4%	1.8%	2.0%	2.0%	2.3%	2.5%	2.8%	3.3%	3.4%	3.5%	3.6%	3.5%	3.6%	3.3%

Category	2010	2011	9/30/12	2010	2011	9/30/12
CAPITAL STRUCTURE as of 9/30/12						
Total Debt	\$16,851 mill.	\$16,851 mill.	\$16,851 mill.	\$16,851 mill.	\$16,851 mill.	\$16,851 mill.
LT Debt	\$11,428 mill.	\$11,428 mill.	\$11,428 mill.	\$11,428 mill.	\$11,428 mill.	\$11,428 mill.
LT Interest	\$500 mill.	\$500 mill.	\$500 mill.	\$500 mill.	\$500 mill.	\$500 mill.
Leases, Uncapitalized	Annual rentals \$188.0 mill.	Annual rentals \$188.0 mill.	Annual rentals \$188.0 mill.	Annual rentals \$188.0 mill.	Annual rentals \$188.0 mill.	Annual rentals \$188.0 mill.
Pension Assets-12/11	\$13.7 bill.	\$13.7 bill.	\$13.7 bill.	\$13.7 bill.	\$13.7 bill.	\$13.7 bill.
Preferred Stock	None	None	None	None	None	None
Common Stock	2,771,261,581 shares	2,771,261,581 shares	2,771,261,581 shares	2,771,261,581 shares	2,771,261,581 shares	2,771,261,581 shares
MARKET CAP	\$210 billion (Large Cap)	\$210 billion (Large Cap)	\$210 billion (Large Cap)	\$210 billion (Large Cap)	\$210 billion (Large Cap)	\$210 billion (Large Cap)
CURRENT POSITION (\$MILL.)						
Cash Assets	27658	32261	19771	27658	32261	19771
Receivables	9774	10581	11175	9774	10581	11175
Inventory (FIFO)	5378	6285	7809	5378	6285	7809
Other	4497	5189	6036	4497	5189	6036
Current Assets	47307	54316	44791	47307	54316	44791
Accts Payable	5623	5725	5344	5623	5725	5344
Debt Due	7617	6658	5423	7617	6658	5423
Other	9832	10428	13168	9832	10428	13168
Current Liab.	23072	22811	23935	23072	22811	23935

Business: Johnson & Johnson is engaged in the research & development, manufacture, and sale of a broad range of products in the healthcare field. Has three business segments: Consumer (baby care, skin care, oral care, wound care, etc.), Pharmaceutical (anti-infective, antipsychotic, contraceptive, dermatology, gastrointestinal, etc.), and Medical Devices & Diagnostics (electrophysiology, circulatory disease management, orthopedic joint reconstruction, etc.). Employs about 114,000. Officers & directors own less than 1% of common stock; BlackRock, 5.2%; State Street, 5.0% (3/11 Proxy). Chairman & CEO: W. C. Weldon. Incorporated: NJ. Address: One Johnson & Johnson Plaza, New Brunswick, NJ 08933. Telephone: 732-524-0400. Internet: www.jnj.com.

Johnson & Johnson finished up 2012 on a good note. Revenues rose 8% compared to a year ago, to \$17.6 billion, which was \$76 million lighter than our target and \$112 below the consensus estimate. Adjusted share earnings came in at \$1.19, a 5% increase. Both Value Line and Wall Street analysts, on average, were looking for share net of \$1.17.

The top and bottom lines should advance nicely this year. We cut \$500 million from our revenue target, but still expect a full-year gain of 7%. We think the Consumer division's ongoing slump will continue in 2013, as sales growth here will likely be negligible. The Pharmaceutical group is poised to perform well, and ought to manage about 4% top-line growth. The Medical Devices & Diagnostics unit's revenues should keep climbing at a double-digit pace in the first half, thanks to last year's addition of Synthes. Comparisons will be more difficult in the back half of 2013, but sales growth should remain in the mid-single digits. Both the EBITDA and profit margins will likely hold steady, and share repurchases probably will not amount to enough to push share-earnings

growth past the 7% mark. Consequently, we look for share net of \$5.43 this year, down a nickel from our previous call and near the mid-point of management's guidance range. **We have rolled out our presentation, and JNJ holders should be reasonably happy with what they see.** In 2014, we look for sales and share-earnings growth of 4% and 7%, respectively. Over the pull to 2016-18, we think top-line growth will average just over 5% a year. Meanwhile, annual share-net advances of just under 8% should be in the cards. **This top-quality blue chip is timely.** Recent earnings gains have been decent, as the company has struggled to overcome some obstacles. However, things seem to be looking up, and investors are diving in. Indeed, this normally ultra-stable issue is up 9% in the past three months, and our Timeliness Ranking System pegs JNJ stock to outperform in the year ahead. Looking longer term, we have boosted the top and bottom bounds of our Target Price Range, but this stock is best suited for conservative income seekers.

Cal-endar	Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2010	15631	15330	14982	15644	61587
2011	16173	16597	16005	16255	65030
2012	16139	16475	17052	17558	67224
2013	17600	18000	17900	18400	71900
2014	18300	18700	18600	19200	74800

Cal-endar	Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2010	1.29	1.21	1.23	1.03	4.76
2011	1.35	1.28	1.24	1.13	5.00
2012	1.37	1.30	1.25	1.19	5.10
2013	1.40	1.38	1.35	1.30	5.43
2014	1.49	1.47	1.44	1.40	5.80

To subscribe call 1-800-833-0046.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	50
Earnings Predictability	100

Erik A. Antonson February 22, 2013